

**ANNUAL STATEMENT**

**Montgomery Ward & Co., *Inc.***

**1916**

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**To STOCKHOLDERS:**

We take pleasure in furnishing you a copy of the Annual Statement for the year 1916, as compiled by Arthur Young & Co., Certified Public Accountants.

In compliance with the terms of the Preferred Stock the company has deposited in a Sinking Fund the sum of \$125,000.00 for the purpose of retiring the Preferred Stock at \$112.50 per share.

**MONTGOMERY WARD & CO., INC.,**

**ROBERT J. THORNE, *Pres.***

# CONDENSED STATEMENT OF EARNINGS FOR THE YEAR 1916

Sales . . . . .	\$62,044,336.09
Net profit after charging all Administrative and Operating Expenses, including depreciation . . . . .	\$4,550,791.39
<i>Deduct:</i> Preferred Stock Dividends paid during year . . . . .	350,000.00
Net Undivided for the Year . . . . .	<u>\$4,200,791.39</u>

## BALANCE SHEET—DECEMBER 31, 1916

### ASSETS

<b>REAL ESTATE, BUILDINGS AND EQUIPMENT:</b>	
Land and Buildings . . . . .	\$4,824,099.11
Machinery and Equipment . . . . .	1,704,883.37
	<u>\$ 6,528,982.48</u>
<b>CURRENT AND WORKING ASSETS:</b>	
Cash . . . . .	\$2,188,069.00
Accounts Receivable . . . . .	1,025,138.39
Notes Receivable—	
Secured by Mortgages on Real Estate . . . . .	\$928,500.00
Sundry . . . . .	55,738.70
	<u>984,238.70</u>
Investments . . . . .	482,956.50
Inventories of Merchandise, Supplies, etc. . . . .	13,797,461.79
	<u>18,477,864.38</u>
SINKING FUND DEPOSIT—Preferred Stock . . . . .	125,218.70
	<u>\$25,132,065.56</u>

### LIABILITIES

<b>CURRENT LIABILITIES:</b>	
Accounts Payable . . . . .	\$3,633,301.47
Notes Payable . . . . .	1,300,000.00
Accrued Taxes . . . . .	207,809.66
	<u>\$ 5,141,111.13</u>
<b>RESERVE FOR CONTINGENCIES</b>	
	203,592.12
<b>CAPITAL STOCK AND SURPLUS:</b>	
Preferred Stock, 7% Cumulative, Authorized . . . . .	\$10,000,000.00
Outstanding . . . . .	5,000,000.00
Common Stock:	
300,000 shares of no par value, represented by . . . . .	8,186,396.02
Surplus:	
As at December 31, 1915 . . . . .	\$ 3,450,174.90
<i>Less:</i> Common Stock Dividends paid . . . . .	1,050,000.00
	<u>\$ 2,400,174.90</u>
Undivided Profits for 1916 (as above) . . . . .	4,200,791.39
	<u>6,600,966.29</u>
Made up of—	
Reserved as provided in Company's charter . . . . .	\$ 1,800,000.00
Sinking Fund for Preferred Stock . . . . .	125,000.00
Remainder available for Common Stock Dividends . . . . .	4,675,966.29
	<u>\$ 6,600,966.29</u>
	<u>\$25,132,065.56</u>

We have audited the books of Montgomery Ward & Company, Inc., for the year ending December 31, 1916, and submit Condensed Statement of Earnings for the year and Balance Sheet as of December 31, 1916.

The year's profits after providing for depreciation on buildings and equipment and allowing for Bad and Doubtful Accounts amount to \$4,550,791.39. Before any dividends are paid on the Common Stock out of these profits, a sum of \$300,000 must be added to Surplus and a sum of \$125,000 be set aside as a Sinking Fund to retire the Preferred Stock as provided in the Company's Charter. Inventories have been taken at cost or under. In our opinion the foregoing Balance Sheet correctly sets forth the condition of the Company as at December 31, 1916.

ARTHUR YOUNG & CO.,  
Certified Public Accountants.

Chicago, February 1, 1917.